

EXHIBIT C

NOVI LIST d.d. RIJEKA
SUPERVISORY BOARD

MINUTES
OF MEETING OF SUPERVISORY BOARD of company NOVI LIST d.d.
held on 8 December 2006

PRESENT MEMBERS OF SUPERVISORY BOARD:

Zdenko MANCE, president, Ivo KIRIGIN, deputy president, Josip BURŠIĆ, member, Lucija Baretić, member, Jaroslav Gora, member

OTHER PRESENT PERSONS:

Zoran Borčić, Director, Eleonora MARAČ, Company Counsel and Anela Dizdarević, translator

After determining that all Board members are present and that the Board may pass valid decisions, President Zdenko MANCE opened the meeting of the Supervisory Board at 11:00 hours proposing the following:

A G E N D A:

1. *Evaluation of business results for November 2006*
2. *Information on regulation of obligations with company Adris Group d.d. Rovinj according to the Agreement on Short- term Loan of 24 August 2001 and Annex no. 13 to the stated Agreement of 26 June 2006.*
3. *Giving of consent to Company Management for sale of shares of Tisak d.d. Zagreb*
4. *Initiative of small shareholders for convening of General Assembly of Novi list d.d.*
5. *Evaluation of work of Management of Novi list d.d.*

President especially greets Mr. Jaroslav Gora who is present at the meeting after a long time.

The meeting is held according to the agenda which had been accepted. Do you have any objections, if not, let's start.

AD 1. Evaluation of business results for November 2006

Zoran Borčić – if I may add, such amendment of the Charter should be harmonized with the proposal of small shareholders because the text is not precise so there will be a proposal which will reflect their wishes.

President – this should be explained to the shareholders. Their representative is elected by the Assembly, as it has been done for 13 years and this election should be done in accordance with this.

Jaroslav Gora – asks if we are going to vote for the approval.

The SB members unanimously accepted the following

DECISION

Hereby the initiative of some shareholders to convene the General Assembly of Novi list d.d. pursuant to which the General Assembly of Novi list will be held by the end of January 2007 which is in accordance with the legally prescribed terms and Company acts is accepted. Also, the formulation of the proposal for amendment of the Charter is also approved.

The fifth item of the agenda:

AD 5. Evaluation of the work of Management of Novi list d.d.

President says there was a certain misunderstanding regarding this item of the Agenda. There were also some disagreements between the proposing party and MDEF. This item was planned a long time ago, at first it was formulated as evaluation of the work of the Management and Supervisory Board of Novi list d.d. but MDEF, i.e Mr. Saša Vučinić warned that the item is contradictory. He thinks that only the General Assembly may evaluate the work of the Supervisory Board. My intention was not for the SB to evaluate the work of the SB but to use the opportunity of MDEF's representative's presence to discuss the issues of our obvious disagreement on some issues between the Management and SB. I accepted Mr. Vučinić's initiative and defined the item as the evaluation of the work of the Management. The meeting was scheduled for 1 December 2006 but it was cancelled because Mr Gora could not attend. I am glad we can have the discussion today. When I speak about the evaluation of the work of the Management and before I emphasize my personal position, I would like to point to two things. The Management was appointed at my initiative believing that Zoran will realize the results on the basis of the documents we had on the table at his appointment, namely restructuring and improvement of Novi list. I must say some results were achieved regarding operations and business activities, that result is evident from the report which show that the results, the depreciation and the accumulation are at the highest level. However, there is the other side, not less important and crucial for the future of Novi list. That is the restructuring of Novi list and its affiliates. This restructuring has not been implemented at the pace and quality at which it was planned. The period was quite long and I can express my dissatisfaction and I consider this to be the

responsibility of the Management. There are many reasons for this and it is not only Borčić's fault but as the General Director he is responsible. All this happened in the past one and a half years. We haven't discussed the restructuring enough. There were several disagreements among the SB members, I think we should openly speak about those, it is no secret that I have a different opinion on cooperation with Europapress holding, particularly regarding METRO and here I am stating my personal opinion that in spite of favourable financial results I think this deal will be harmful in the long run. Of course I do not mean printing services, I am glad we are doing it. My disagreement with the management, which I also expressed at the meeting of Riječki list is about the joint job with METRO as far as information is concerned. We all know that two to three pages of Novi list are given to Metro to be printed in its Rijeka edition. I think this is in the short term and in the long term devastating for Novi list as a company and Novi list as a daily paper. Therefore I think the agreement is extremely harmful and I think the Management stipulated it as damaging for Novi list and should be responsible for it. I think we should discuss it and pass a decision. Thirdly, in our company the SB is responsible for supervision of business operations. Lately, some bad relations are present, I do not think the Management is responsible for those but it should do everything to remedy them. I consider all three items to be important, primarily the restructuring, nothing has been done in a year and a half, which is a long period, then there is the harmful agreement and the relations are bad and the Management is responsible for those as is the SB. Therefore, after the meeting of Riječki list where the positions of Mr. Borčić, his associates and me were quite different, I as the SB President cannot give the Management full support, I cannot give any support so I am going to propose to the Supervisory Board to pass a decision on revocation of Mr. Borčić as the Company Director. This is my position, I have just informed the SB about it. We have postponed the meetings several times and I am glad we can discuss this today. I expect the SB members to discuss my proposal and if they agree with it to vote on revocation of Mr. Zoran Borčić as the Director of the Company.

Jaroslav Gora – Mr. President, I think your proposal is a big surprise and contrary to the agreement between MDEF and Riječki list. The Decision on voting for the revocation of the Management Member is the basic issue between Novi list and MDEF. We have never had a chance to discuss these issues between Riječki list and MDEF. I think this is the beginning of conflict between the shareholders MDEF and Riječki list and in case of conflicts the decision should be made at the meeting of shareholders.

The item on the agenda of today's meeting clearly comprises the evaluation of the work of the Management and not the revocation. This is not something which was agreed to be on the agenda. This is my first statement, I feel a little uncomfortable in a situation which is so important for the company and which was left for the end of the meeting. The meeting started at 11:00 so we did not have enough time to discuss such an important matter. If you, Mr. President, tried to bring up such an important question, you should have informed the other partners in the company, as a sign of good will. Only then you could have organized the SB meeting enabling all the partners to participate in the discussion. I am not sure the SB is prepared for this item.

We had serious objections to the first item on the agenda relating to the non-implementation of the restructuring project. In order to be able to discuss this issue, I would ask the Counsel to prepare a report from the meeting with detailed analysis of all topics so that the Director can respond. Only then we will be able to act accordingly

The other relevant issue is the Agreement with Metro, what was your third issue?

President - relations in the Company, among people.

Jaroslav Gora - as the second issue is concerned, I do not understand your opinion, your position. I also do not understand what is the point of the third issue. Therefore I would ask the President to let us know about his proposal on how to resolve this.

President - I do not understand.

Jaroslav Gora – since the revocation of the Director was not an integral part of the Agenda, since the opinion of the representative of MDEF is such that he thinks that MDEF as a partner had not been addressed, which is a crucial and serious matter, my concrete question is whether the President of SB still insist on the proposal to vote for the revocation of the Management Member.

President – my answer is that we as the SB have been preparing for this item for quite some time. You Jarek, did not come twice. I understand you could not come but this does not mean the other SB members cannot act.

I must say I do not agree with your approach. The SB acts in accordance with the Law on Commercial Companies and above all in accordance with our Charter. The Law is very precise and it says that the SB appoints and revokes the Management. There are no other structures that can do that. Therefore I think it is the right and duty of the SB members to pass such decisions. Shareholders' Agreement between MDEF and Riječki list defines our relations regarding the voting at the Assembly so I think your request about the division of votes when voting on appointment and revocation is unjustified.

Jaroslav Gora – I completely agree with the opinion of the SB Member that the appointment and revocation of the Management is in the competence of the SB. However, the obligation of the SB President was to inform all the members about this issue and the intention to discuss it at the meeting. I wasn't aware and I did not receive any invitation to the previous meetings of the SB which supposedly had the issue of revocation of the Director on the agenda. As we have already informed the SB President in our letters we have not been properly notified about those meetings. Which may lead to the direct conclusion that all previous meetings of SB had not been properly convened and held.

I completely agree with your position that the shareholders' agreement regulates the relations between MDEF and Riječki list and the

voting at the shareholders' meeting. This however shows good will or bad will between these parties. This would be all and I am not sure whether the President wants to proceed with his intention to vote for the revocation or whether we will discuss the work of the Management.

President – I have opened the discussion on this topic whose integral part is the evaluation, positive or negative. Contrary to Mr. Gora, I think that the evaluation of the work of Novi list Management may also include a negative evaluation. I presented my opinion, I expect the others to do so. We are a supervisory board of a shareholding company, not only representatives of Riječki list, MDEF, Novi list, employees. We represent all the shareholders.

Director Zoran Borčić - first of all I would like to ask Mr. President to allow me to have an equal position in this discussion. In order not to waste time, I am asking whether the decision has already been made. If it has, I will discuss the issue in one way, if it hasn't, I am asking the SB to report in connection with the first item. I think it is only professional and responsible from the part of the SB to request that report in a written form as two previous Restructuring Plans were done, although they were never listed on the SB meeting agenda. The second topic has never been on the agenda of the SB. As far as the third item regarding the relations in the company is concerned, the SB members need to be informed about the talks, agreements and conclusions which the President of the SB had with the Management in the past two months. This would be normal if the SB and the Management were responsible because they're to protect the interests of the company.

Claiming that this item had been prepared at the SB meeting is not true. Moreover, when I asked the President if I am expected to prepare a report regarding this item, he said he is only interested in some aspects of cooperation between the Management and the SB and has no intention to discuss the revocation of the Management.

This is why I am demanding the SB to allow me to present my report on which the SB may have a discussion with all arguments and facts. I think this is too serious a company to be doing it in any other way.

Jaroslav Gora – I must again point out that I urge the SB to discuss this item after the Company Counsel prepares the report from the previous meetings of the SB from which it will be clear which tasks were entrusted to the Management.

I must say I need more detailed information on relations within the company. The materials need to be submitted to the SB for discussion and to the Management to prepare his arguments, all in light of a fair solution of this problem.

President - I presented my position, two members expressed their opinion, nothing was agreed in advance, I made my mind, I suggest the others say theirs.

Director Zoran Borčić – asks the President of SB if he may have his opinion, he does not know on which grounds they have their opinion. I just want that right.

President – I have my opinion, based on the one and a half year long monitoring of the work of the Management. The report you are talking about, the one you have mentioned several times does not exist and therefore it was not put on the agenda, I never received it and I don't know what you are talking about.

Director Zoran Borčić – this is what needs to be discussed because the SB members do not have the insight in the matter. Therefore I want to ask if this item can be prepared properly and with the right of the Management to present the report according to the questions the SB asked him.

President - it is up to the SB what it will accept and what it will not accept. My proposal was more than clear, I expressed my opinion on the work of the Management, I think it did not work properly and I may not support it. When it was appointed in 2005 its task was to implement fast and efficient restructuring of Novi list which was not done. The other thing is the cooperation with EPH connected with Metro and selling of our material to METRO which is our main competition, evident from the fall in sale of Glas Istre by 6%. This was sufficient reason for me to declare this Agreement with EPH harmful. The Management that signs a harmful agreement cannot represent the company.

This disagreement between me and the management is not new, even among people in Riječki list, I clearly stated them several times. This resulted in very bad quality of relations in the company, about which we can inform Mr. Gora so that he could have a better insight in the third item. The other members of the SB are also here, their evaluation of the work of the management is also to be heard and then the decision should be made.

Jaroslav Gora – may I ask the President to accept the following proposal, based on the proposal of the investment the new tower I was informed about the cooperation between Novi list and Metro. I think I am sufficiently informed to give my opinion and vote. As for the other matters, I would like to be informed in more detail as I have stated before.

Buršić Josip – I just want to say briefly, all three items, all three reasons should be discussed. Your explanation and your proposal are connected with the documents which regulate the relations between MDEF and Riječki list. As a member of the SB taking into consideration the authorities of the SB that you mentioned and which are based on the Law on Commercial Companies, I cannot accept to vote on revocation of the Management after an oral explanation of the item on the agenda. I think this is at least irresponsible, if I had known this before, I wouldn't have agreed with the agenda. I would have requested a written report. As a SB member I have not participated at any meeting where this item had been prepared with the intention to revoke the Director. I insist that the Management is requested to submit a written report and we discuss it. The decision may be made only

then. It is obvious that there is crisis in relations between Riječki list and MDEF, i.e. the SB President and representatives of MDEF. Different positions arise from the letters we have received. I think these positions should be harmonized before we proceed to vote on revocation. It is evident there is a crisis and some members of SB have become the hostages of that crisis. To conclude, I am not ready to vote on this issue because the consequences of such a voting would be immeasurable if it is not properly prepared. I demand a written report, Riječki list should comment on that report, positions of Riječki list and MDEF should be harmonized and then the issue should be voted on.

Jaroslav Gora – Mr. President, let me one more time ask you if you are going to postpone the discussion on this item i.e. voting on revocation of the Management until a proper basis for such a decision is done at the next meeting or do you want to continue to vote in spite of the fact that two SB members expressed their opposition to vote on this item today.

President – I want to proceed. My position is clear and well expressed. I expect from the other two members to say what they mean. The majority will make a decision which will be the best for this SB.

Jaroslav Gora – I will repeat that I cannot form my opinion without adequate information. I want to have the adequate information in order to make a valid decision as the SB member.

Ivo Kirigin - I have been in Novi list for 50 years, since secondary school days and I have worked in it all my life. We had ups and downs. We had difficult crises. The crisis was when the exponents of ex President Tuđman wanted to take us over at 8:00 in the morning and we met at 3:00 to prevent it. We overcame all those difficulties with togetherness and dialogue and sometimes with discussions that lasted till the early hours of the morning, one of them started at three in the afternoon and ended at five in the morning. The current crisis is two or three months old, its roots go further in the past. It simply ended in an atmosphere which did not allow for a correct and complex, i.e. honest discussion. First of all I must say that besides the disagreement of the President and Mr. Gora I do not see any other dispute between MDEF and Riječki list. To have different opinions does not mean you are enemies or opponents. Unfortunately, to have a different opinion has become something horrible in this company. Every attempt to say something about this situation is turned to something hostile and it prevented the solution of the problem. The introductory sentence of Mr. Borčić about the decision already passed and his intention to discuss it differently in that case illustrates the situation in which this company is and which was described by Mr. Mance under item no. 3. When I was chairing the SB and now when we are discussing anything, I always ask, the main connection is Mr. Borčić, "is MDEF informed about the issues we are discussing?" My question was the same when tower no. four was discussed. We were told that MDEF supported the investment. On the other hand, in the company we were warned about that investment for many expert reasons. I am not an expert and I will not go into details, but I would make my decision on the basis of such opinions. We took the problems to the Assembly of Riječki list. I swear I have not made any deals with anybody and I have not suggested anybody how to discuss at the Assembly. I cannot say that the other party made deals, but from the talks at the Assembly the SB President and the people who think alike were called the enemies of the Company. If we did not mean well and if we did not play it honestly the SB

could have had this item on its agenda a long time ago. Now, I am saying, now we can talk but very attempt to discuss is eventually turned into buying of time in order to postpone or prolong the decision on this item.

After a life dedicated to Novi list I simply cannot and I do not want, primarily because of Novi list, let something prolong it again. We cannot we discuss it now, it does not imply a decision. Let's talk and we will see whether a decision can be made or not. Why should all be taken back when we all know that Mr. Gora says he understands the second issue, let's talk about all three and he will get to know the rest through discussion. I am for the discussion, I want us to say something, let things fall in their place. Thank you.

Director Zoran Borčić – when I said I will talk in this or that way I did not mean the essence will be different but the time which is necessary. This is the point. We will discuss without the written material when Mr. Gora must leave the meeting at 2:00. I personally do not see the need for rush and urgency. I actually do not have the right to submit a report to the SB, I had no possibility to comment on the three items and it may not be called an equal position. I do not need to deny anything because everybody knows I acted only as the Management. I have not persuaded any body to anything, I haven't made any promises and I did not talk anywhere. I just want a chance to talk about the third item. Excuse me, but you as SB members do not have any insight into that matter. Do you know what kind of pressure I had to put up with in the past three months, do you know, you must have heard the rumours I am divorcing and the latest one that I have been on sick leave for months. I am not just saying this, do you know that documents have been stolen from my cupboard, documents relating to Novi list? Do you know I have been receiving threatening messages for three weeks, please bear with me, I will read them: Your life will be hell, resign. You think we are joking, you are playing with your life, a curse follows. You think we have forgotten you, we have been following you. We will kill you and your family. We are in front of the door, we are waiting for your son. It was on the day my son was visiting. Your last day is on Friday, if not, then good by forever. Mr. President, I do not think this is funny. I informed the police, I submitted the text messages four days ago.

President - you know why I am laughing Zoran, I have received hundreds of messages like this.

Director Zoran Borčić – have you received them now, we are talking about this moment.

President – I did not find it necessary to inform anybody. Those who do not sign their messages do not deserve anything.

Director Zoran Borčić - the police have numbers of those phones, they have listed them and they will follow them. I have been receiving such messages for the last three weeks. It started on 12th of last month. I am asking the SB members if they knew this. How could I inform you, sorry I informed you, meaning the SB President. You told me you have no idea to

discuss my revocation, it is true, is it true? I am asking you- talking to Mr. President.

President - says it is true but he has changed his mind.

Jaroslav Gora – I would again propose what I did before and what is in line with what you have said. I completely agree that these matters are far too important and crucial and the SB must discuss them. Since they are essential for further development of the company, the SB should be informed about them in a proper way in order to be able to make a valid decision. I repeat I do not have such information and enough material to form my own opinion. Also, I do not believe this approach is legitimate and it is not in spirit of good will that I have been given 15 minutes to state my position. What I want to say is that the SB President was the one who should have prepared this meeting in an adequate way and enable all SB members to form their opinion and give chance to all of us to be informed. All I am asking is for this discussion to be prepared properly.

Ivo Kirigin - I did not understand why he was given only 15 minutes.

Director Zoran Borčić – his plane is leaving, he did not know this discussion would take place. Why did the meeting start at 11 o'clock. Let's be honest, this is hypocritical. I was not allowed to speak to the SB.

President – the way we are talking about this is hypocritical. If I had not opened this issue we would not have discussed it at the SB meeting. Instead, it would have been discussed in corridors, offices and people would have been harassed as they have been harassed for months in this Company. Would you please stop it. I very precisely stated that after today's talks with Gora I do not believe this Management is able to run this company adequately. Only time is being bought here so that at some future meeting a decision is passed which would be in accordance with the interests of those who are ruling in Novi list. We do not have to stick our heads in sand and close our eyes before the fact that some months ago a pressure was made on our member Ms Baretić and that this was done by an argument between the two Unions. Our disagreement on several points was transferred to the whole company. Mr. Gora was not present in our company for a year and a half, he was here last summer but he did not even meet the SB. He would have not come today if I had not insisted and sent him 3 invitations. This talk would not have happened had I not insisted. We may postpone the discussion but up to what time? What shall we gain with that? Probably a new series of pressures in this company in which people will be summoned for two- hour or three-hour talks and they will be persuaded to do something to save Novi list because I am the largest enemy who wants to sell Novi list as opposed to them as great saviors. Those great saviors, out of their ignorance or negligence or stupidity, I do not know which, are destroying everything Novi list had achieved, all in cooperation with Metro. I do not agree with such policy but I do not want to say this is the only defense of Novi list as some of my colleagues try to say pathetically. I will not change my opinion in two or three weeks when Jarek is back to discuss. Our relations have been poisoned to

the extent where they cannot be repaired. Restructuring of relations in Novi list is the first step and I will convene Riječki list and talk to them, inform MDEF but this has nothing to do with today's discussion. I have my position, I formed it on the basis of personal bad experience of the past few months. I would not like to enter into a discussion of who is a larger hypocrite here, such discussion does not lead anywhere. If other SB members agree with me the revocation may happen today. If not, if they think we should discuss it again, let' set a date with Mr. Gora. I do not want the meeting to be held in a month or two, it should be soon. It should be efficiently organized and the decision should be made fast. This company is falling apart and this situation cannot be tolerated anymore. We are all aware of this and we agree on that.

Jaroslav Gora – I would like to give an official remark to the minutes because adequate documents were not delivered and I wasn't able to learn about the problems connected with item 5 and particularly with voting for the revocation, termination of the Management. I also want it to be entered in the minutes that I as the SB member wasn't informed about the fifth item on the agenda in a proper manner. I am ready to come to Novi list at any time of day and night and discuss the matter of revocation of the Management member after I am properly informed about the agenda.

President – asks when that would be.

Jaroslav Gora – first I would like to have all the materials and after that I need two days to prepare. Then I will be ready to come and talk. I must tell you Mr. President that I am personally offended by your statement in which you said that I was in Novi list only once and that I did not meet with the SB members. I did not receive any invitation for any meetings. We must check if anybody got the invitation. Neither I nor other people in MDEF got any invitation. Your assumed attempts to contact me by phone on three occasions in reality turned to the fact that I was brought here and only yesterday Mr. Vučinić informed me about the items on the agenda. My voting will happen only after I read the materials on that topic. I only ask for my rights to be able to react to the topics and issues in a proper way.

Lucija Baretić – I do not think I understood well what Mr. Gora said. Is it true that he has not been receiving the invitations in the past year and a half and he only received one when the voting on the fourth tower was supposed to take place.

Jaroslav Gora - I received the invitation to the meeting of the SB only when evaluation of the business in 2005 took place, when voting on the fourth tower was on the agenda I did not receive the formal invitation, I was invited by the General Manager, i.e. Director. It was not a formal invitation to the SB, it was a notification by the Director.

Lucija Baretić – then this is a formal problem in informing, I do not see the reason for other members of SB to be the hostages of such way of communication. At the end it seems that Mr. Gora and Mr. Buršić want

some things in writing that are actually known in the entire company, everybody is talking about them, they are placing us in a situation...

Director Zoran Borčić – nobody is talking about the restructuring, something is mixed up here if the key problem is restructuring. Who is talking about it, when did the SB talk about it?

Lucija Baretić – I will now tell you about the restructuring

Jaroslav Gora – by the way, Mr. President, what is your final decision, will you postpone the voting on this issue or do you want to proceed? Which is your concrete and final decision.

President - what do the other members think?

Josip Buršić - I expressed my opinion at the beginning. I do not want to participate in a discussion and passing of decision without written materials. I am ready to explain this in accordance with our Charter and the law on Commercial Companies.

Lucija Baretić – I think it is in the interest of the employees to clarify this situation now and immediately because this is no way to proceed. I do not think any additional correspondence and explanations could help because the things have gone too far and I think that Mr. Gora and the Management and Mr. President had enough time in these two and a half months to settle their relations and they haven't done it. It is really their problem. This situation is really bad for the company and it may not be tolerated, not two more months, it may not be tolerated two more hours.

President - May I ask Eleonora something. Jarek receives the invitations to the meetings....

Eleonora Marač - he receives them by e- mail.

President – I do not think there are reasons to think he wasn't invited. And there is also a question about the procedure that should be followed when the meetings are prepared. Why would this item not be in accordance with our Charter. Let our Counsel answer that.

Jaroslav Gora - I never said I wasn't properly invited to this meeting. There is no question about it.

Eleonora Marač, Counsel- Mr. Gora was informed about every SB meeting by e- mail.

Ivo Kirigin – I already said what I meant, If Mr. Gora has to go, let's postpone it. Or let's not. But we must sit and discuss this and make a decision, regardless of the outcome. Some things can just not be postponed any more.

Jaroslav Gora – I had my objections entered in the minutes. Mr. President should now decide.

President - I proposed to the SB to comment on my proposal. My proposal is that Mr. Borčić is revoked from the duty of the Director with today's date and from the SB to appoint a new director after that. We will have an Extraordinary Assembly and a new SB which will then appoint a new Management. This will be a transitory period. It is not in accordance with the law and the Charter but I hope you will understand.

Eleonora Marac, Counsel – I apologize but I do not understand, what are we talking about, what transitory period are we talking about?

President - I just said it, I did not mean an acting manager. I just do not expect that this SB and the management will remain the same after the new elections for the SB take place. I think it is good for the company. It is a way to stop arguing and lobbying and a way to stabilize the situation in the next few months. I am aware of my personal responsibility but I am doing this in the interest of the company. We could vote now.

Eleonora Marac, Counsel – I would like to say something, from the legal point of view. I am obligated to warn the SB members. Since I am present as the minutes recorder, you must allow me to say something.

President - sure.

Eleonora Marac, Counsel – I must warn about the legal consequences in case of a claim, which is to be expected. It will not go into the essence of things, legally and formally we have an agenda with the item of evaluation of the work of the Management of Novi list. So, according to our Charter and the Law on Commercial Companies we do not have an item about the revocation of the Director on our agenda as we also do not have the item about the appointment of the new director. Also according to the Law on Commercial Companies, the director may be revoked at any time but since a shareholders' company is in question, valid reason should be given for that and they must be precisely determined. I am saying this because in case of a court case I am obligated to warn you.

President - so you think that the decision on voting should be postponed.

Eleonora Marac, Counsel - I personally think you may also contact the legal advisors, that the item on the agenda does not allow us to do that because the SB should also determine the valid reasons for revocation. You will decide what you are going to do, with due responsibility of each member.

President - we may postpone it, when can Jarek come?

Jaroslav Gora – as I stated earlier, I would like to make a decision which would be based on information.

President - which information exactly is that?

Jaroslav Gora – as I stated earlier, I want to repeat that I want to have reports from previous meetings of SB with precisely determined goals and tasks of the Director, i.e. General Manager. I would like to get a written report as well as the report on restructuring from the Director. I would like to understand the third item which relates to the relations within the assembly. Then I will be available for the meeting

Ivo Kirigin - I completely understand Mr. Gora but he will not be able to understand it from written material unless he sits with us for a day or two and therefore I insisted on the discussion, I want him to hear everything, there is no possibility to explain the third item in writing. We should talk as people, as we have always done.

Lucija Baretić - I must say something to Mr. Gora, I cannot resist it. When we were electing Mr. Borčić at the meeting of the SB when I wanted to participate in the discussion at that solemn moment and when I commented that his program is too general and that all the items are not elaborated, then Mr. Gora gave me a lecture and explained that I cannot insist on these things now because these things will happen as we move along. I think the result of this move is what we have today.

Director Zoran Borčić – Mr. President, I just wanted to say two sentences as the Management although this development of situation is for my benefit because it gives the grounds for legal action and compensation for damages. I must warn the members of the SB that it is not in accordance with the legal regulations and that the members will bear consequences. I can personally benefit from this but as Management I am obligated to warn the SB that their decision will not be made on legal grounds.

Josip Bursić - I think that after Eleonora's warning our decision would not be in line with the Charter and the Law on Commercial Companies. I think we should not make mistake which will be at the expense of this company. I have nothing to add, she has said everything, we should not gamble with the destiny of the Management and the destiny of this company.

President – let us not make drama where there is no drama. I have never had the intention to jeopardize this company. Jarek must go because he has a plane to catch. Speaks to the Counsel: your warning is inappropriate, you should have given it at the beginning.

Eleonora Marac, Counsel - How should I have known? President interrupt and says: You knew it when the discussion started, you could have warned us then. But it is never late for a good warning. I hope it is correct and respectful so I propose to hold another meeting of the SB. You can prepare all the documents as Jarek requested. Let us do it in a reasonable

time, certainly before Christmas, that is in about ten days, every postponement after such electrified atmosphere is not good for the company and our authority. So when can we have it. Today is the 8th, the other meeting should be on 22 December, before Christmas Eve, after that there are no meetings till the second half of January. Can we prepare the materials, translate them and send them to Jarek so that the meeting is between 18 and 22, on 19. I have a meeting of SB in Osijek, so I can do it on 20 or 21 or much earlier.

Eleonora Marač, tajnik – may I just respond to what you said earlier, that what I did was improper.... President interrupts and says: you should have said it earlier, when the meeting started and when I proposed the revocation of the Management, it was clear what kind of decision we are trying to pass. If we pass it, it was clear it is not 5 to twelve, it was 11, 15 or 12:00, the situation is as it is, but fine. We do not have to argue Eleonora.

Eleonora Marač, Counsel but may I state, all members except Lucija, at the proposal of Mr. Kovačević, got the complete material of Authorities and responsibilities of SB. This was distributed to all members, Kirigin knows this, except Lucija because she was not the member then. This material clearly explains the authorities, I may distribute it again.

President – it is not important.

Eleonora Marač, Counsel- as for the material, it will be prepared on time in Croatian and I hope translated soon.

President – president says the next meeting may be held on 21 December 2006.

Eleonora Marač, Counsel- let's agree in which form the material will be prepared. Like minutes or in another form?

President – Jarek specifically asked you to prepare it so let it be like that.

Eleonora Marač, Counsel- asks again.

Lucija Baretić – Mr. Buršić asked it too, let him tell you in which form.

Josip Buršić – the person who puts a stop to the agenda. Mrs. Lucija, that is the one who proposes the materials.

Lucija Baretić – but the other members may have additional requests.

Josip Buršić - I will be happy with prepared materials for the three items which Mance brought up today. You said this will be the grounds for decisions, I do not ask for anything else. You know I have been warning

you for a long time that the fact that we do not know the rules does not exuberate us from responsibility.

Kirigin Ivo – we are aware of the rules, I thought we should finally discuss it because the attempts did not give any results. At the Assembly I felt cheated because I have not had any deals with anybody and the others came prepared.

President concludes that on Thursday, 21 December 2006 there will be the continuation of the meeting with materials prepared by Eleonora.

Eleonora Marač, Counsel- you will tell me in which form, minutes or other.

Jaroslav Gora – wants to have excerpts from minutes with decisions since the day the Director was appointed.

After the agenda is exhausted, the President closes the meeting at 14:20.

RECORDING SECRETARY
Eleonora MARAČ,
Company Counsel

President of Supervisory Board
Zdenko MANCE